
Public Utilities Commission of the State of California

Results of Public Agenda 3162

Meeting Held on Friday, November 18, 2005 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

John A. Bohn

Geoffrey F. Brown

Dian M. Grueneich

Susan P. Kennedy

Website: <http://www.cpuc.ca.gov>

Scheduled Commission Meetings

505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Tuesday, November 29, 2005 (San Francisco) (Will Be Held)	Thursday, December 01, 2005 (San Francisco)
Monday, December 12, 2005 (San Francisco)	Thursday, December 15, 2005 (San Francisco)
Monday, January 09, 2006 (San Francisco)	Thursday, January 12, 2006 (San Francisco)
Monday, January 23, 2006 (San Francisco)	Thursday, January 26, 2006 (San Francisco)
Tuesday, February 14, 2006 (San Francisco)	Thursday, February 16, 2006 (San Francisco)

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor
(415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



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PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
-

Public Comment:

Re 33:

Alice A. Huffman, CA NAACP, Sacramento

Darryl Conklein, Renewable Technologies

Re 39:

Betty Jo Toccoli, CA Small Business Assn. & CA Small Business Round Table, Culver City

Nancy Biagini, Communications Workers of America, Dist. 9, Sacramento

Re 40:

Betty Jo Toccoli, CA Small Business Assn. & CA Small Business Round Table, Culver City

Eric Minikel, International Institute of San Francisco, San Francisco

Consent Agenda

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

Orders and Resolutions

1

[4971]

A01-01-021 - Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E).

Decision 02-08-065 deferred the core gas supply portfolio consolidation proposal of SoCalGas and SDG&E pending the outcome of I02-11-040 (the Border Price OII). Current gas supply conditions cause the Commission to permit a new application by the utilities for consolidation. This proceeding is closed.

(Comr Kennedy - ALJ Barnett)

Outcome Signed

D0511004

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

2

[4975]

Res ALJ 176-3162

Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

3 (Rev.)

[4979]

A04-06-024 - Pacific Gas and Electric Company (PG&E).

This decision adopts the May 13, 2005 Settlement with five Supplemental Settlements. Within 45 days, PG&E shall file an advice letter with revised tariffs to become effective on or after January 1, 2006. The eligibility period for standby charge exemptions shall remain in effect. The proceeding remains open to address the agricultural class definition issue.

(Comr Peevey - ALJ Mattson)

11/09/2005 - This revision was not shown on the Agenda mailed to the public.

Outcome Signed (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

D0511005

Yes: (Bohn, Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

4

[4994]

Res W-4569 - R. R. Lewis Small Water Company (RR Lewis).

This resolution authorizes RR Lewis a surcharge producing an increase in annual revenues of \$38,428 or 137% to recover engineering and construction costs of a temporary chlorination system and to recover increases in water testing costs. (Advice Letter 20, filed August 29, 2005)

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

5

[5014]

Res M-4815

This resolution adopts level of the Public Utilities Commission Transportation Reimbursement Account fees for fiscal year 2005-06. The fee levels set by this resolution for passenger vehicle operators, vessel operators, commercial air operators and pipeline corporations are unchanged from the fee levels set for fiscal year 2004-05. The fee level set for the railroad corporations reflect a \$1,113,000 increase from the level set for fiscal year 2004-05 due to an increase in rail safety staffing and funding for a rail safety working group.

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

6

[5016]

A05-03-023 - Matrix Telecom, Inc. (Matrix).

A05-03-022 - Related matters. This decision grants Matrix a certificate of public convenience and necessity and approves transfer of assets from Global Crossing Telecommunications to Matrix. These proceedings are closed.

(Comr Grueneich - ALJ Yacknin)

Outcome Signed

D0511006

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

7

[5018]

A05-02-014 - Pacific Gas and Electric Company (PG&E).

This decision finds PG&E's administration of power purchase agreements and procurement of least cost dispatch power activities for the period January 1, 2004 through December 31, 2004 (Record Period) reasonable and prudent, and also finds PG&E's \$74.9 million undercollected Energy Resource Recovery Account balance at December 31, 2004 reasonable. This proceeding is closed.

(Comr Grueneich - ALJ Galvin)

Outcome Signed

D0511007

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

- 8**
[5019] **A05-02-005 - Apple Valley Ranchos Water Company (Apple Valley).**
This decision adopts test year 2006 revenue requirements, authorizes a return on equity, and creates a low-income ratepayer assistance program for Apple Valley. This application is closed.
(Comr Grueneich - ALJ Long)
Outcome Held (12/1/05, Consent Agenda)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- 9**
[5022] **A05-07-005 - Vanco Direct USA, LLC (Applicant).**
This decision grants Applicant a certificate of public convenience and necessity to provide resold services. This proceeding is closed.
(Comr Grueneich - ALJ Prestidge)
Outcome Signed
D0511008
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 10**
[5024] **R02-06-001 - Order Instituting Rulemaking on policies and practices for advanced metering, demand response, and dynamic pricing.**
This decision closes Rulemaking 02-06-001 as most of the activities identified in the proceeding have been completed. The Commission identifies additional activities necessary to ensure that the demand response programs provide full value to California ratepayers and establish a timetable for moving forward on those activities. This proceeding is closed.
(Comr Peevey - ALJ Cooke)
Outcome Signed
D0511009
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

11
[5028]

I04-04-024 - Order Instituting Investigation into the proposal of Sound Energy Solutions to construct and operate a liquefied natural gas terminal at the Port of Long Beach.

This decision closes this investigation of Sound Energy Solutions' plan to construct and operate a liquefied natural gas plant at the Port of Long Beach. This proceeding is closed.

(Comr Brown - ALJ Malcolm)

Outcome Signed

D0511010

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

12
[5029]

A05-06-004 - Pacific Gas and Electric Company.

For approval of the 2006 - 2008 energy efficiency programs and budget. A05-06-011, A05-06-015, A05-06-016 - Related matters. This decision adopts the Joint Staff's request for overall funding of \$162,794,829 for energy efficiency evaluation, measurement and verification activities over the 2006-2008 program cycle. This represents approximately 7.6% of the total portfolio budgets for energy efficiency authorized for this program cycle, including the program budgets adopted in D05-09-043.

(Comr Kennedy - ALJ Gottstein)

Outcome Signed (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

D0511011

Yes: (Bohn, Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

13
[5032]

Res T-16911

This resolution revokes certificates of public convenience and necessity (CPCN) of the following companies at their request: Affinity Network Incorporated (CPUC# (#) 5229), Eclipse Communications Corp. (#5366), Easy Cellular, Inc. (#5775), Telephone Company of Central Florida, Inc. (#5846), Teleglobe America, Inc. (#5871), Focal Communications Corporation of California (#5922), Comm South Companies, Inc. (#5943), WWC License (#6141), Global Metro Networks California, LLC (#6497), Tralee Telephone Company, LLC (#6699).

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

14
[5036]

A05-08-035 - San Carlos Telecom, Inc. (San Carlos) and Wave eXchange LLC (Wave eXchange).

This decision grants the request of San Carlos and Wave eXchange, pursuant to California Pub. Util. Code §§ 851-854, for approval of a transaction pursuant to which Wave eXchange acquires that portion of the outstanding shares of common stock that it does not already own, and thereby voting control of San Carlos. The transaction will not affect the California operations of San Carlos. The matter is uncontested. This proceeding is closed.

(Comr Kennedy - ALJ Patrick)

Outcome Signed

D0511012

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

15
[5037]

A00-07-048 - Southern California Edison Company (SCE).

This decision grants SCE's Petition to Modify D00-10-040 as previously modified. The decision clarifies that SCE has authority to issue \$700 million in secured long term debt to finance energy procurement. This proceeding is closed.

(Comr Peevey - ALJ Long)

Outcome Signed

D0511013

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

16
[5038]

A99-01-016 - Pacific Gas and Electric Company.

For authority to establish post-transition period electric ratemaking mechanisms. A99-01-019, A99-01-034, A99-02-029 - Related matters. These applications dealt with the end of the rate freeze imposed by AB 1890. All matters have been resolved and there is no further need for these proceedings. This decision closes these proceedings.

(Comr Kennedy - ALJ Long)

Outcome Signed

D0511014

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

17

[5040]

Res T-16960 - SBC California (SBC).

This resolution approves a CMRS Agreement between SBC and Jerry's Mobile Radio, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 27271, filed August 30, 2005)

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

18

[5041]

Res W-4572 - Rio Plaza Water Company, Inc. (Rio Plaza).

This resolution authorizes Rio Plaza to refinance the Safe Drinking Water Bond Act loan authorized by Decision 88834 and to continue the existing surcharge rates to pay off the new loan. (Advice Letter 40-W, filed September 29 2005)

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

19

[5042]

R05-07-015 - Order Instituting Rulemaking for purposes of amending the Rules of Practice and Procedure to reflect internet access to the agenda and agenda item documents.

This decision amends Rules 79 and 80 to eliminate hard copy agenda, agenda item documents and Daily Calendar subscription service. This proceeding is closed.

(Comr Bohn - ALJ Yacknin)

Outcome Signed

D0511015

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

20

[5045]

A05-08-040 - Southern California Edison Company (SCE).

This decision grants SCE authority under Pub. Util. Code § 851 to enter into a lease agreement with RHC Communities, LLC (RHC). The lease is for an 11.3-acre site located on a portion of SCE's Center-Mesa transmission right of way in the City of Pico Rivera. RHC intends to construct and operate a self-storage facility on the site. The application is unopposed. This proceeding is closed. (Comr Brown - ALJ Walker)

Outcome Signed

D0511016

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

21

[5053]

Res W-4571 - Del Oro Water Company, Paradise Pines District.

This resolution authorizes Del Oro Water Company, Paradise Pines District a water quantity surcharge producing an increase in revenue of \$35,115 or 2.38% to recover the under-collection reflected in the Purchased Water Memorandum Account. (Advice Letter 141, filed July 6, 2005)

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

22

[5055]

(ECP) C05-08-020 - Timothy J. Regello vs. San Diego Gas & Electric Company (SDG&E).

Complainant seeks an energy efficiency rebate of \$1,392. Held: Relief denied because his request did not comply with SDG&E's Energy Efficiency Rules. This proceeding is closed.

(Comr Peevey - ALJ Barnett)

Outcome Signed

D0511017

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

23

[5062]

A05-06-024 - Andre Williams (Applicant).

This decision authorizes Applicant to operate as a passenger stage corporation between certain cities and communities in Placer and Sacramento Counties, on the one hand, and San Francisco and Sacramento International Airports, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.

(Exam Clark)

Outcome Signed

D0511018

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

24

[5063]

A05-07-009 - Buthaina M. Ibrahim and A-1 Express Shuttle, Inc.

This decision authorizes Buthaina M. Ibrahim to transfer his passenger stage corporation certificate to A-1 Express Shuttle, Inc. This proceeding is closed.

(Exam Clark)

Outcome Signed

D0511019

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

25

[5064]

A05-08-004 - Farid Dabit dba On Time Airport Shuttle, and On Time Airport Shuttle, LLC.

This decision authorizes Farid Salem Dabit to transfer his passenger stage corporation certificate to On Time Airport Shuttle, LLC. This proceeding is closed.

(Exam Clark)

Outcome Signed

D0511020

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

26

[5065]

A05-08-028 - Americans' Shuttle 4 Less, L.L.C. (Applicant).

This decision authorizes Applicant to operate as a passenger stage corporation between points in Los Angeles County, on the one hand, and Los Angeles International, John Wayne, Bob Hope, Long Beach, and Ontario International Airports, Los Angeles/Long Beach Harbors, and the Los Angeles Amtrak Station, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.
(Exam Clark)

Outcome Signed

D0511021

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

27

[5072]

Res W-4573 - Warring Water Service Inc.

This resolution modifies the amount of debt obligations of Warring Water Service, Inc. authorized in Resolution W-4557.

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

28

[5074]

A05-04-002 - Southern California Edison Company (SCE).

Pursuant to Pub. Util. Code §851, SCE is authorized to lease available land on the Gould-Mesa transmission right-of-way to Hawaii Properties, Inc. for the purpose of developing a business park in the City of Rosemead. This proceeding is closed.

(Comr Grueneich - ALJ Koss)

Outcome Signed

D0511022

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

29

[5075]

A05-03-017 - Southern California Edison Company (SCE).

Pursuant to Pub. Util. Code §851, SCE is authorized to grant an easement on a parcel of land (approximately one-tenth of an acre) in Tulare County to Brian and Cheryl Ford. This proceeding is closed.

(Comr Grueneich - ALJ Koss)

Outcome Signed

D0511023

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

30

[5076]

A05-08-016 - Mpower Networks Services, Inc. (Applicant).

This decision grants Applicant a certificate of public convenience and necessity to provide limited facilities-based and resold local exchange telecommunications services. This proceeding is closed.

(Comr Brown - ALJ Grau)

Outcome Signed

D0511024

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

31

[5078]

Res E-3960 - Southern California Edison Company (SCE).

SCE requests the Commission's authorization to establish a memorandum account to record third-party costs associated with certain procurement-related activities. (Advice Letter 1920-E, filed September 30, 2005)

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Regular Agenda

Energy Orders

32 R04-04-026 - Order Instituting Rulemaking to implement the California Renewables Portfolio Standards Program.

[4748]

This decision sets forth the basic parameters for the participation of Energy Service Providers, Community Choice Aggregators, and small and multi-jurisdictional utilities in the Renewables Portfolio Standards program.

(Comr Peevey - ALJ Allen)

Agenda 3157, Item 51 8/25/2005 (Peevey);

Agenda 3158, Item 22 9/8/2005 (Bohn);

Agenda 3159, Item 29 9/22/2005 (Peevey);

Agenda 3160, Item 15 10/6/2005 (Bohn);

Agenda 3161, Item 35 10/27/2005 (Staff)

Outcome Withdrawn (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

32a ALTERNATE TO ITEM 4748

[4959]

This alternate lays out a policy that electric service providers, community choice aggregators, and small and multi-jurisdictional utilities must comply with certain fundamental aspects of the renewable portfolio standard (RPS) program, but that the commission may distinguish them on a policy basis from the large investor-owned utilities in terms of the manner in which they comply. The decision asks for further proposals from parties on this subject. The alternate also articulates policy preferences on the use of unbundled renewable energy credits for purposes of compliance with RPS.

(Comr Peevey)

Agenda 3160, Item 15a 10/6/2005 (Bohn);

Agenda 3161, Item 35a 10/27/2005 (Staff)

Outcome Signed (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

D0511025

Yes: (Bohn, Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

33

[4897]

R04-03-017 - Order Instituting Rulemaking regarding policies, procedures and incentives for distributed generation and distributed energy resources.

This decision adopts a methodology for assessing the costs and benefits of distributed generation (DG). The purpose of this inquiry into cost-benefit methodologies is to assure that the state's support for DG projects is economically sound and to assure that state policies promote as much DG as is cost-effective, consistent with the Commission's general policy to include DG facilities as high-priority energy resources. The methodology the decision adopts today is designed to reflect the costs and benefits of DG facilities from various perspectives and employs existing data immediately, which will be modified in the future with the development of more precise economic values for some variables.

(Comr Peevey - ALJ Malcolm)

Agenda 3160, Item 16 10/6/2005 (Staff)

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

34

[5010]

A04-01-009 - Pacific Gas and Electric Company (PG&E).

This decision approves the steam generator replacement program (SGRP) proposed by PG&E for Diablo Canyon Power Plant Units 1 & 2 subject to the requirements imposed herein. In addition, the decision certifies the Final Environmental Impact Report for the SGRP pursuant to the California Environmental Quality Act. This proceeding is closed.

(Comr Brown - ALJ O'Donnell)

Outcome Signed (Pres. Peevey reserves the right to file a concurrence.

Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

D0511026

Yes: (Bohn, Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

35 (Rev.)

[5068]

A05-10-012 - Southern California Gas Company (SoCalGas).

This decision addresses the request of SoCalGas for authority to rework existing wells at two of its gas storage fields, and to reclassify 4 Bcf of cushion gas to working gas for the benefit of its customers of the California Alternate Rates for Energy program.

(Comr Kennedy - ALJ Wong)

11/18/2005 - This revision was not shown on the Agenda mailed to the public.

Outcome Signed

D0511027

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Energy Resolutions and Written Reports**36 Res E-3953 - San Diego Gas & Electric Company (SDG&E).**

[5008]

This resolution approves SDG&E's request updating its revenue requirement associated with the purchase of Ramco Generating One, including modifications to SDG&E's Non-fuel Generation Balancing Account and Energy Resource Recovery Account. (Advice Letter 1711-E, filed July 26, 2005)

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

37 Res E-3952 - Sacramento Municipal Utility District (SMUD).

[5030]

This resolution concludes that SMUD's proposal to annex the Cities of Davis, West Sacramento, Woodland, and other portions of Yolo County, located in Pacific Gas and Electric Company's (PG&E's) service territory, will not substantially impair PG&E's ability to provide adequate service at reasonable rates within the remainder of its service territory. Request made by letter, effective August 22, 2005, from Sacramento Local Agency Formation Commission to the California Public Utilities Commission.

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

38 Res G-3384 - Pacific Gas and Electric Company (PG&E).

[5085]

PG&E requests approval of its Winter Gas Savings Program for Residential and Small Commercial Gas Customers and its Winter Revenue Deferred Program and new gas tariff Schedule G-10/20 - Winter Gas Savings Program. (Advice Letter 2675-G, filed November 3, 2005)

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Telecommunication Orders
39 A05-02-027 - SBC Communications, Inc. (SBC) and AT&T Corp. (AT&T).

[5025]

This decision approves the application of SBC and AT&T to transfer control of AT&T and related affiliates to SBC subject to the terms and requirements set forth in this order. The Applicants must comply with prescribed requirements in order for the proposed merger to provide reasonable assurance that the merger will be in the public interest pursuant to Pub. Util. Code § 854.

(Comr Peevey - ALJ Pulsifer)

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

39a ALTERNATE TO ITEM 5025

[5026]

This alternate decision approves the application of SBC Communications, Inc. (SBC) and AT&T Corp. (AT&T) to transfer control of AT&T and related affiliates to SBC subject to the terms and requirements set forth in this order. As conditions of approval, the Applicants must 1) agree that by February 28, 2006, they will cease forcing customers to purchase separately traditional local phone service as a condition for obtaining DSL; 2) adopt the agreement that Applicants negotiated with Greenlining and Latino Issues Forum by which SBC provides a \$57 million increase in philanthropic giving over a five year period and SBC commits to increasing purchases from minority businesses in California; 3) commit \$9 million per year for five years to a California Emerging Technology Fund, of which no more than half may be counted towards satisfying the commitment in the Greenlining agreement; and 4) provide a rate freeze on DSD1 and DS3 private network services for current AT&T customers.

(Comr Kennedy, Comr Peevey)

Outcome Signed (Comr. Brown reserves the right to file a dissent.

Comrs. Grueneich, Kennedy, and Bohn reserve the right to file a concurrence.)

D0511028

Yes: (Bohn, Grueneich, Kennedy, Peevey)

No: (Brown)

Abstain: (none)

Absent: (none)

39b ALTERNATE TO ITEM 5025

[5080]

This alternate decision remands this proceeding for further examination.

(Comr Brown)

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

40

[5027]

A05-04-020 - Verizon Communications, Inc. and MCI, Inc.

This decision authorizes the change in control whereby Verizon Communications, Inc. acquires MCI, Inc. subject to three conditions. As conditions of approval, the Applicants must 1) agree that by January 31, 2006, they will cease forcing customers to purchase separately traditional local phones service as a condition for obtaining DSL; 2) adopt the agreement that Applicants negotiated with Greenlining and Latino Issues Forum by which Verizon provides a \$20 million increase in philanthropic giving over a 5 year period and Verizon commits to increasing purchases from minority businesses in California; 3) commit \$3 million per year for five years to a California Emerging Technology Fund, of which no more than half may be counted towards satisfying the commitment in the Greenlining agreement. The terms of the Greenlining Agreement and California Emerging Technology Fund are described in detail in the decision.

(Comr Kennedy - ALJ Walker)

**Outcome Signed (Comrs. Brown and Grueneich reserve the right to file a dissent.
Comr. Bohn reserves the right to file a concurrence.)**

D0511029

Yes: (Bohn, Kennedy, Peevey)

No: (Brown, Grueneich)

Abstain: (none)

Absent: (none)

40a

[5058]

ALTERNATE TO ITEM 5027

This alternate decision approves the application of Verizon Communications Inc. (Veriozn) and MCI, Inc. (MCI) to transfer control of MCI's California utility subsidiaries to Verizon, subject to the conditions set forth in the order.

(Comr Brown)

Outcome Defeated

Yes: (Brown)

No: (Bohn, Grueneich, Kennedy, Peevey)

Abstain: (none)

Absent: (none)

40b

[5081]

ALTERNATE TO ITEM 5027

This Alternate Decision remands this proceeding for evidentiary hearing on the applicability of Section 854(b) and other issues.

(Comr Brown)

Outcome Defeated

Yes: (Brown, Grueneich)

No: (Bohn, Kennedy, Peevey)

Abstain: (none)

Absent: (none)

41

[4819]

R01-09-001 - Order Instituting Rulemaking on the Commission's own motion to assess and revise the new regulatory framework for Pacific Bell and Verizon California Incorporated.

I01-09-002 - Related matters. This decision grants the petition of The Utility Reform Network and Office of Ratepayer Advocates to expand the years covered by the proposed New Regulatory Framework audit and denies the petition of Verizon to limit the scope of the audit in Phase III, but states that it will consider whether and how to set a cost cap for the audit in Phase III. In addition, the decision defers the commencement of the audit until the conclusion of A05-04-020 or Phase 3 of the instant proceeding, whichever is later.

(Comr Kennedy - ALJ Kenney)

Agenda 3157, Item 61 8/25/2005 (Brown);

Agenda 3158, Item 33 9/8/2005 (Bohn);

Agenda 3159, Item 37 9/22/2005 (Kennedy);

Agenda 3160, Item 19 10/6/2005 (Bohn);

Agenda 3161, Item 43 10/27/2005 (Kennedy)

Outcome Held (12/1/05. For further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

41a

[4873]

ALTERNATE TO ITEM 4819

I01-09-002 - Related matters. This alternate decision varies from the draft decision in that it does not attempt to direct ORA's audit of Verizon nor does it put limitations on ORA's audit via the allocation of funding for the audit.

(Comr Brown)

Agenda 3157, Item 61a 8/25/2005 (Brown);

Agenda 3158, Item 33a 9/8/2005 (Bohn);

Agenda 3159, Item 37a 9/22/2005 (Kennedy);

Agenda 3160, Item 19a 10/6/2005 (Bohn);

Agenda 3161, Item 43a 10/27/2005 (Kennedy)

Outcome Held (12/1/05. For further review)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Water/Sewer Orders**42**

[4892]

C03-09-001 - Casmalia Community Services District vs. Unocal Corporation, aka Casmite Water System.

A03-12-024 - Related matters. This decision issues a certificate of public convenience and necessity (CPCN) to Casmite Corporation to operate existing water system as a public utility, authorizes initial rates, and imposes sanctions for operating without CPCN.

(Comr Brown - ALJ Thorson)

Agenda 3159, Item 38 9/22/2005 (Bohn);

Agenda 3160, Item 20 10/6/2005 (Bohn);

Agenda 3161, Item 44 10/27/2005 (Peevey)

Outcome Signed (Comr. Bohn recused himself from this agenda item and was not part of the quorum in its consideration.)

D0511030

Yes: (Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Water/Sewer Resolutions and Reports

43

[5023]

Res W-4570 - Yosemite Spring Park Utility Company (YSPUC).

This resolution directs YSPUC to collect facilities fees from customers who applied for water service on or after April 6, 2004. (Advice Letter 26, filed June 27, 2005)

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Other Utility Orders**44**

[5021]

R04-10-010 - Rulemaking to set hourly rates for purposes of calculating intervenor compensation awards, pursuant to Public Utilities Code Section 1801 and following, for work performed in calendar year 2005.

This decision approves principles to govern hourly rates for intervenors' representatives in calculating award requests for work performed in 2005. This proceeding is closed.

(Comr Peevey - ALJ Kotz)

Outcome Signed (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

D0511031

Yes: (Bohn, Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Legal Division Matters**45**

[5033]

FERC Docket No. RM05-25-000

On September 1, 2005, the Federal Energy Regulatory Commission (FERC) issued a Notice of Inquiry (NOI) inviting comments on whether reforms are needed to FERC's Order 888 pro forma Open Access Transmission Tariff (OATT), and to the utilities' individual OATTs, in order to ensure that services thereunder are just, reasonable and not unduly discriminatory or preferential. Staff seeks the Commission's authorization to file comments on FERC's NOI. These comments must be submitted by November 22, 2005.

Outcome Approved-Staff Recommendation

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Management Reports and Resolutions

46

Executive Director Larson Report

[5015]

Introduction of draft Water Action Plan.

Agenda 3161, Item 46 10/27/2005 (Staff)

Outcome Held (12/15/05)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Closed Session

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the

Non-Federal

48

[4928]

R01-09-001 - Conference with Legal Counsel - Application for Rehearing

I01-09-002 - Related matters. Disposition of Application for Rehearing of D04-02-063 filed jointly by the Office of Ratepayer Advocates and The Utility Reform Network. In D04-02-063, the Commission disposed of four of 72 findings resulting from an audit of SBC Pacific Telephone Company (Pacific) for the period of 1997 to 1999. Among other things, the Decision determined that Pacific had properly written off the regulatory asset associated with post-retirement benefits other than pensions (PBOPs) above the line in 1998.

Agenda 3159, Item 45 9/22/2005 (Staff);

Agenda 3160, Item 26 10/6/2005 (Kennedy);

Agenda 3161, Item 48 10/27/2005 (Kennedy)

Outcome Held (12/1/05.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

49

[4956]

R02-11-039 - Conference with Legal Counsel - Application for Rehearing

Disposition of applications for rehearing of D04-05-017 and D04-05-018 filed by Mirant Delta, LLC and Mirant Potrero, LLC; Western Power Trading Forum et al.; and Elk Hills Power, LLC.

D04-05-017 and D04-05-018 adopted requirements for the operation and maintenance of electric generating facilities pursuant to Public Utilities Code Section 761.3. D04-05-017 adopted Logbook Standards for thermal powerplants; D04-05-018 adopted General Order 167 implementing General Duty Standards and Maintenance Standards for electric generating facilities.

Agenda 3160, Item 29 10/6/2005 (Staff);

Agenda 3161, Item 50 10/27/2005 (Staff)

Outcome Held (12/1/05)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

50

[5009]

A04-09-028 - Conference with Legal Counsel - Application for Rehearing

A04-09-029, A04-09-030, A04-09-031, A04-09-032, A04-09-033, A04-09-034, A04-09-035 - Related matters. Disposition of Application for Rehearing of D05-07-022 filed by California Water Service Company (CWS). D05-07-022 is a general rate case decision that establishes rates for eight CWS districts. The decision adopts a settlement of disputed issues jointly advocated by CWS and the Office of Ratepayer Advocates and denies the unopposed request of CWS for interim rate relief pursuant to Section 455.2 of Public Utilities Code.

Agenda 3161, Item 55 10/27/2005 (Kennedy)

Outcome Signed

D0511032

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

51

[5079]

R95-04-043 - Conference with Legal Counsel - Application for Rehearing

I95-04-044 - Related matters. Disposition of application for rehearing of Decision D05-08-040 by The Telephone Connection of Los Angeles, Inc. and The Telephone Connection Local Services, LLC (TCLA), alleging that the Commission has committed legal error by adopting a 1+10-digit dialing pattern in the area served by the 310 NPA. D05-08-040 grants a petition to modify D00-09-073, and approves the immediate implementation of an all services overlay of a new 424 area code, rather than a geographic split, within the 310 NPA. Permissive use of the new dialing pattern in the 310 NPA begins on December 31, 2005 and mandatory use begins on July 26, 2006.

Outcome Signed

D0511033

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)